Change in Employee Compensation (CEC)
Legislative History

FY 1998 to FY 2007

Idaho Code §67-5309B(d) requires the Division of Human Resources to conduct salary and benefit surveys within relevant labor markets and submit a recommendation to the Governor of proposed salary changes and their estimated costs. The Governor must submit his own recommendations to the Legislature prior to the seventh legislative day. By concurrent resolution, the Legislature may accept, modify or reject the recommendations. Failure by the Legislature to act prior to adjournment shall constitute approval of the Governor's recommendations.

FY 2007

The Governor recommends a compensation increase of 3% to be distributed based on merit. The governor further recommends the CEC commence in FY 2006 with the January 29, 2006 pay period. The Division of Human Resources recommends a 5.7% CEC to fund a merit increase and market equity adjustments.

FY 2006

H395 was adopted by the Legislature which provided a one-time 1% CEC contingent upon a prescribed balance in the General Fund at the end of fiscal year 2005. The Legislature also adopted HCR 22 which created an interim committee to study state employee compensation and benefits.

FY 2005

HCR 47 was adopted by the 2004 Legislature, which provided a permanent 2% merit based salary increase. An additional one-time 1% salary increase was triggered by revenues exceeding the Governor's FY 2004 revenue estimate (H805). The resolution also provided agencies guidance on the use of one-time and ongoing salary savings to address salary increases.

FY 2004

The 2003 Legislature took no action, thereby once again adopting the Governor's recommendation by default, which was no increase in funding for employee compensation, but to allow compensation increases with agency salary savings wherever possible.

FY 2003

The 2002 Legislature took no action, thereby adopting the Governor's Recommendation by default. It provided no increase in funding for employee compensation, but allowed employee compensation increases to be made from agency salary savings.

FY 2002

Because the 2001 Legislature did not adopt a CEC resolution, the Governor's Recommendation was approved by default. It provided a 4.5% increase for all state agencies -- 3.5% to be used for performance related increases plus 1% to address agency specific compensation issues (2% for higher education faculty). CEC was budgeted at $20.2 in General Fund money and $37.4 million in all funds.

FY 2001

The Legislature adopted HCR 35, which was the employee compensation resolution adopted by the Joint Legislative CEC Compensation Committee. HCR 35 ratified the framework of the Governor's recommendation, which included a 5% move in the payline structure, and a 3.5% CEC, distributed based on merit. HCR 35 also included language encouraging agency directors to make special efforts for low-wage employees who are performing satisfactorily in their positions. CEC was budgeted at $14.6 million General Fund and $28.5 million total.

FY 2000

The 1999 Legislature took no action, and by doing so accepted the Governor's recommended 3% statewide average pay increase for state employees. The Governor's recommendation included no movement in the payline, with the full 3% CEC to be distributed on the basis of merit. CEC was budgeted at $13.4 million General Fund and $22.8 million total.

FY 1999

SCR 122, a product of the CEC Committee, concurred with the Governor's 5% performance-based pay raise which included a 2% payline move. Moving the payline required only about $500,000 in General Fund money and $800,000 in all funds. The Committee also added its own "decompression" emphasis by way of an expectation stated in the resolution that agency directors will give due consideration to employees who have been performing satisfactorily in a position for five or more years but who are below the policy pay rate within their pay grades. CEC was budgeted at $21 million in General Fund money and $35.5 million in all funds.

FY 1998

The CEC Committee voted to accept the Governor's recommendation of a 2% pay increase with no payline movement and individual increases to be based on performance. JFAC voted to not fund any CEC increase, but encouraged agencies to provide merit-based raises with monies available in their existing appropriation (e.g. salary savings). HCR 25 stated the Legislature's support for the Governor's CEC recommendation and authorized and encouraged agencies to provide such pay increases to the extent possible within existing appropriations. No funding was budgeted for the CEC.

Change in Employee Compensation (CEC)
20 Year Historical Comparison

Fiscal Year	Gen. Fund Expenditures	% Chg	Personnel Comm'n / Div. of Human Resources*	CPI % Change	CEC Funded
1987	$622.4 M	7.2%	8.0%	2.2%	0.0%
1988	$658.9 M	5.9%	12.5%	4.1%	4.0%
1989	$699.2 M	6.1%	7.9%	4.6%	3.0%
1990	$784.5 M	12.2%	9.7%	4.8%	5.0%
1991	$911.7 M	16.2%	7.5%	5.5%	5.5%
1992	$996.2 M	9.3%	7.0%	3.2%	4.0%
1993	$1025.9 M	3.0%	3.0%	3.1%	1.5%
1994	$1,098.4 M	7.1%	11.0%	2.6%	2.0%
1995	$1,268.1 M	15.5%	8.5%	2.9%	5.4%
1996	$1,337.5 M	5.5%	6.0%	2.7%	5.0%
1997	$1,391.8 M	4.1%	4.6%	2.9%	3.0%
1998	$1,446.4 M	3.9%	5.2%	1.8%	0.0%
1999	$1,609.7 M	11.3%	7.7%	1.7%	5.0%
2000	$1,679.8 M	4.4%	14.0%	2.9%	3.0%
2001	$1,828.5 M	8.9%	0.0%	3.4%	3.5%
2002	$1,979.5 M	8.3%	0.0%	1.8%	4.5%
2003	$1,925.5 M	-2.7%	0.0%	2.2%	0.0%
2004	$2,004.1 M	4.1%	1.0%	2.2%	0.0%
2005	$2,082.1 M	3.9%	6.8%	3.0%	3.0%
2006	$2,180.9 M	4.7%	6.7%	N/A	1.0%
Ave. Annual Change		**6.93%**	**6.36%**	**3.03%**	**2.92%**

* Reflects CEC recommendation from Personnel Commission (prior to FY 2001) or Division of Human Resources, pursuant to Idaho Code § 67-5309B(d).

Notes:
In FY 2001, 2002 & 2003 DHR recommended a salary increase to address competitive pressures, but did not recommend a specific percentage.

In FY 2005, the CEC funded was 2% ongoing and 1% one-time. In FY 2006, the CEC funded was one-time. In both cases the one-time funding was contingent upon sufficient year-end surpluses.